



California

Forms & Instructions

3806

1999

Los Angeles Revitalization Zone
Business Booklet

This booklet contains:

Form FTB 3806, Los Angeles Revitalization Zone Deduction and
Credit Summary

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STATE OF CALIFORNIA
FRANCHISE TAX BOARD

Instructions for Los Angeles Revitalization Zone Businesses

— Form FTB 3806

References in these instructions are to the Internal Revenue Code (IRC) as of **January 1, 1998**, and to the California Revenue and Taxation Code (R&TC).

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General Information

Conformity. In general, California tax law conforms to the Internal Revenue Code (IRC) as of January 1, 1998. However, there are continuing differences between California and federal tax law. California has not conformed to most of the changes made to the IRC by the federal Internal Revenue Service (IRS) Restructuring and Reform Act of 1998 (Public Law 105-206) and has not conformed to any of the changes made by the Tax and Trade Relief Extension Act of 1998 (Public Law 105-277).

Principal Business Activity Code Chart. The principal business activity (PBA) code chart is based on the North American Industry Classification System published by the United States Office of Management and Budget, 1997 Edition. Accordingly, the PBA and North American Industry Classification System (NAICS) codes are used for purposes of business classification.

California statutes require the Franchise Tax Board (FTB) to provide information to the California Legislature and the Trade and Commerce Agency (TCA) regarding the number of businesses using the economic development area (EDA) tax incentives, types of EDA tax incentives being used, and the EDAs in which the businesses are claiming the tax incentives. **Note:** In order to help us meet this requirement, please be sure to complete items A through G on form

FTB 3806, Los Angeles Revitalization Zone Deduction and Credit Summary, as applicable.

For purposes of this booklet, the term "pass-through entity" refers to an S corporation, an estate or trust, a partnership, and a limited liability company (LLC) taxed as a partnership.

A The Former Los Angeles Revitalization Zone

The Los Angeles Revitalization Zone (LARZ) was established to aid economic development in areas that suffered damage during the civil unrest that occurred in the County of Los Angeles during April and May 1992. The LARZ became operative on May 1, 1992, and applied to businesses with taxable or income years beginning on or after January 1, 1992.

The following tax incentives were provided for businesses operating within the LARZ:

- General hiring credit;
- Construction hiring credit;
- Sales or use tax credit;
- Business expense deduction;
- Net interest deduction; and
- Net operating loss (NOL) deduction.

The LARZ expired on December 1, 1998.

Accordingly, references in this booklet to the "former LARZ" are interpreted as "the boundaries of the LARZ as if the LARZ were still in existence".

Businesses operating within the former LARZ do not need to receive prior approval to take advantage of the special tax incentives.

B Purpose

Claiming Deduction and Credit Carryovers.

Use this booklet to determine the following deduction and credit carryovers that the business may claim for operating or investing in a trade or business within the former LARZ:

- General hiring credit carryover;
- Construction hiring credit carryover;
- Sales or use tax credit carryover; and
- NOL deduction.

Complete the worksheets in this booklet for the NOL deduction or credit carryover for which the business is eligible. Then enter the NOL deduction and credit carryovers on form FTB 3806.

Recapture. Also use this booklet to report the following recapture amounts:

- General hiring credit recapture;
- Construction hiring credit recapture;
- Sales or use tax credit recapture; and
- Business expense deduction recapture.

Complete the worksheets in this booklet for the recapture amounts and enter these amounts on form FTB 3806.

C How to Claim Deductions and Credit Carryovers

To claim any LARZ NOL deduction or credit carryover, the business **must attach** form FTB 3806 (included in this booklet) to its California tax return.

Attach a separate form FTB 3806 for each business you operate or invest in that is located within the former LARZ.

To assist with the processing of the tax return, indicate that the business operates or invests within the former LARZ by doing the following:

Form 540 filers: Write "LARZ" in the top left margin of Form 540, Side 1.

Form 540NR filers: Write "LARZ" in the top left margin of Form 540NR, Side 1.

Form 100 filers: Claim LARZ tax incentives on Form 100, line 14, line 20, and line 24 through line 27, as applicable.

Form 100S filers: Claim LARZ tax incentives on Form 100S, line 12, line 19, and line 23 through line 26, as applicable.

Form 109 filers: Check the "yes" box for the enterprise zone, LARZ, LAMBRA, MEA, or TTA question on the top of Form 109, Side 1.

Note: Be sure to keep all completed worksheets and supporting documents for your records.

D Geographic Boundaries

The geographic boundaries of the former LARZ are used to determine whether tax incentives are available to a business in a particular location. The communities within the former LARZ are:

- Compton
- Hawthorne
- Huntington Park
- Inglewood
- Lawndale
- Long Beach
- Los Angeles
- Lynwood
- Pomona
- Signal Hill
- Unincorporated LA County

Information about the geographic boundaries of the former LARZ is available from:

Franchise Tax Board
Economic Development Area Information
Telephone: (916) 845-3464
FAX: (916) 845-0415

If your business is located both within and outside the former LARZ, see Part IV, Doing Business Totally Within or Within and Outside the Former Los Angeles Revitalization Zone, on page 6 for instructions on how to apportion business income.

E Forms Table

The titles of forms referred to in this booklet are:

Form 100	California Corporation Franchise or Income Tax Return
Form 100S	California S Corporation Franchise or Income Tax Return
Form 109	California Exempt Organization Business Income Tax Return
Form 540	California Resident Income Tax Return
Form 540NR	California Nonresident or Part-Year Resident Income Tax Return
Form 541	California Fiduciary Income Tax Return
Form 565	Partnership Return of Income
Form 568	Limited Liability Company Return of Income
Schedule CA (540)	California Adjustments — Residents
Schedule CA (540NR)	California Adjustments — Nonresidents or Part-Year Residents
Schedule P	Alternative Minimum Tax and Credit Limitations
Schedule R	Apportionment and Allocation of Income

Part I Hiring Credits

No new LARZ construction or general hiring credits may be generated in taxable or income years beginning on or after January 1, 1998.

However, LARZ construction and general hiring credit carryovers may still be claimed for 15 years from the year the credit was generated. See Part VI, Computation of Credit Carryover Limitations, for information on how to claim construction and general hiring credit carryovers.

Taxpayers who received a LARZ construction hiring credit or general hiring credit in their taxable or income year beginning on or after January 1, 1998, from a 1997 fiscal year pass-through entity **may not** claim these credits in their taxable or income year beginning on or after January 1, 1998. These credits can only be claimed for taxable or income years beginning **before** January 1, 1998.

Recapture of the Construction Hiring Credit and General Hiring Credit

The employer must recapture the amount of credit attributable to an employee's wages if the employer terminates the employee at any time during the longer of:

- The first 270 days of employment (whether or not consecutive); or
- 90 days of employment plus 270 calendar days.

A day of employment means any day for which the employee receives wage compensation (including a paid sick day, holiday, or vacation day).

The employer must add to the current year's tax the recaptured amount of credit claimed in the year of termination and all prior years in which the credit was claimed for the terminated employee.

Note: The credit recapture does not apply if the termination of employment was:

- Voluntary on the part of the employee;
- In response to misconduct of the employee as determined by the applicable employment compensation provisions;
- Caused by the employee becoming disabled (unless the employee was able to return to work and the employer did not offer to reemploy the individual);
- Carried out so that other qualified individuals could be hired, creating a net increase in the number of qualified employees and their hours worked;
- Due to a contractual agreement (applies only to the LARZ construction hiring credit); or
- Caused by a substantial reduction in the trade or business operations of the employer.

Instructions for Worksheet I — Recapture of the Construction Hiring Credit and General Hiring Credit

Line 1, column (a) — Enter the name of the terminated employee(s). Attach an additional schedule(s) if necessary.

Line 1, column (b) and column (c) — Enter the amount of credit recapture for each employee. If the construction hiring credit was claimed, enter the amount in column (b). If the general hiring credit was claimed, enter the amount in column (c).

Line 2 — Enter the total from line 2, column (b) on form FTB 3806, Side 1, line 4. Enter the total from line 2, column (c) on form FTB 3806, Side 1, line 5.

Also, include the amount of hiring credit recapture on your California tax return or schedule as follows:

- Form 100, Schedule J, line 5;
- Form 100S, Schedule J, line 5 and Schedule K-1 (100S), line 23;
- Form 109, Schedule K, line 4;
- Form 540, line 36;
- Form 540NR, line 45;
- Form 541, line 21b and Schedule K-1 (541), line 11e;
- Form 565, Schedule K, line 22 and Schedule K-1 (565), line 22; or
- Form 568, Schedule K, line 22 and Schedule K-1 (568), line 22.

Indicate that you included the hiring credit recapture on your tax return by writing "FTB 3806" in the space provided on the schedule or form.

Partnerships and limited liability companies (LLCs) taxed as partnerships must identify the recapture amounts for their partners and members on Schedule K-1 (565 or 568).

S corporation shareholders must recapture the portion of credit that they previously claimed, based on the terminated employee's wages. S corporations must also identify the recapture amount for shareholders on Schedule K-1 (100S). This amount will differ from the amount recaptured by the S corporation on Form 100S, Schedule J.

Worksheet I Recapture of the Construction Hiring Credit and General Hiring Credit — Los Angeles Revitalization Zone

(a) Terminated employee's name		(b) Construction hiring credit recapture amount	(c) General hiring credit recapture amount
1			
2 Total amount of credit recapture. Add the amounts in column (b) and column (c). See instructions . .		2	

Part II Sales or Use Tax Credit

No new LARZ sales or use tax credits may be generated in taxable or income years beginning on or after January 1, 1998.

However, LARZ sales or use tax credit carryovers may still be claimed for 15 years from the year the LARZ credit was generated. See Part VI, Computation of Credit Carryover Limitations, for information on how to claim sales or use tax credit carryovers.

Taxpayers who received a LARZ sales or use tax credit in their taxable or income year beginning on or after January 1, 1998, from a 1997 fiscal year pass-through entity **may not** claim these credits in their taxable or income year beginning on or after January 1, 1998. These credits can only be claimed for taxable or income years beginning **before** January 1, 1998.

Investors in 1997 fiscal year pass-through entities that generated a LARZ sales or use tax credit will need to adjust net income received from the pass-through entity over the life of the asset(s) on which the credit was based. The adjustment will decrease net income by their distributive or pro-rata share of the difference between the depreciation expense with the credit basis reduction and the depreciation expense without the credit basis reduction. This information must be obtained from the pass-through entity.

In addition, the investor should attach a statement to form FTB 3806 that includes the following information:

- An explanation of the inconsistent treatment of ordinary income and credit(s) from the pass-through entity;
- The pass-through entity name and tax identification number; and
- The distributive or pro-rata share of the credit amount(s).

Sales or Use Tax Credit Recapture

The full amount of the credit must be recaptured (added back to the tax liability) in the year of disposition or nonuse if the property is disposed of or no longer in use within the former LARZ before the close of the second taxable or income year after the property was placed in service.

Instructions for Worksheet II — Sales or Use Tax Credit Recapture

Line 1, column (a) – Enter a description of the property. Attach an additional schedule(s) if necessary.

Line 1, column (b) – Enter the amount of the sales or use tax credit that must be recaptured.

Line 2 – Enter the amount from line 2, column (b) on form FTB 3806, Side 1, line 6.

Also include the amount of sales or use tax credit recapture on your California tax return or schedule as follows:

- Form 100, Schedule J, line 5;
- Form 100S, Schedule J, line 5 and Schedule K-1 (100S), line 23;
- Form 109, Schedule K, line 4;
- Form 540, line 36;
- Form 540NR, line 45;
- Form 541, line 21b and Schedule K-1 (541), line 11e;
- Form 565, Schedule K, line 22 and Schedule K-1 (565), line 22; or
- Form 568, Schedule K, line 22 and Schedule K-1 (568), line 22.

Indicate that you included the sales or use tax recapture on the tax return by writing "FTB 3806" in the space provided on the schedule or form.

S corporations and their shareholders must recapture the portion of credit that was previously claimed. S corporations must also identify the recapture amount for shareholders on Schedule K-1 (100S). This amount will differ from the amount recaptured by the S corporation on Form 100S, Schedule J. Partnerships and LLCs taxed as partnerships should also identify the recapture amount for partners and members on Schedule K-1 (565 and 568).

Worksheet II Sales or Use Tax Credit Recapture — Los Angeles Revitalization Zone

(a) Property description		(b) Recapture amount
1		
2 Total amount of credit recapture. Add the amounts in column (b). See instructions		2

Part III Business Expense Deduction

Generally, the LARZ business expense deduction cannot be claimed by taxpayers with taxable or income years beginning on or after December 1, 1998. **Exception:** Taxpayers who received a LARZ business expense deduction in their taxable or income years beginning on or after January 1, 1998, from a 1997 fiscal year pass-through entity may have utilized the deduction since the LARZ business expense deduction election was made at the entity level.

Business Expense Deduction Recapture

The deduction is subject to recapture (added back to income) if, before the close of the second taxable or income year after the property was placed in service, the property is sold, disposed of, or no longer used exclusively within the former LARZ. In that case, add to current year income the amount previously deducted for that property.

Instructions for Worksheet III — Business Expense Deduction Recapture

- Line 1, column (a)** – Enter a description of the property. Attach an additional schedule(s) if necessary.
- Line 1, column (b)** – Enter the amount of the business expense deduction claimed for the property that must be recaptured.
- Line 2** – Enter the amount from line 2, column (b) on form FTB 3806, Side 1, line 7, and on your California tax return or schedule as follows:
- Form 100, line 14, as a **negative** amount;
 - Form 100S, line 12, as a **negative** amount, Form 100S, Schedule K, line 6, and Schedule K-1 (100S), line 6;
 - Form 109, Part I, line 12;
 - Schedule CA (540), column C, on the applicable line for your business activity;
 - Schedule CA (540NR), column C, on the applicable line for your business activity;

- Form 565, Schedule K, line 7 and Schedule K-1 (565), line 7; or
 - Form 568, Schedule K, line 7 and Schedule K-1 (568), line 7.
- Note:** If filing Form 540 or Form 540NR, indicate that you are recapturing the business expense deduction by writing “FTB 3806” above the dotted line to the left of Form 540, line 16 or Form 540NR, line 16.

Worksheet III Business Expense Deduction Recapture — Los Angeles Revitalization Zone

(a) Property description		(b) Recapture amount
1		
2 Total recapture amount. Add the amounts in column (b). See instructions		2

Part IV Doing Business Totally Within or Within and Outside the Former Los Angeles Revitalization Zone

The LARZ credit and NOL carryovers are limited to the tax on business income attributable to operations within the former LARZ. If the business is located totally within or within and outside of the former LARZ, the portion of total business operations that are attributable to the former LARZ must be determined.

Business Income vs. Nonbusiness Income

Only business income is apportioned to the former LARZ to determine the incentive limitation. LARZ credit and NOL carryovers are limited to tax on business income attributable to the operations within the former LARZ.

Business income is defined as income arising from transactions and activities in the regular course of the trade or business. Business income includes income from tangible and intangible property if the acquisition, management, and disposition of the property constitute integral parts of the regular trade or business operations. Nonbusiness income is all income other than business income. Get Title 18 Cal. Code Regulation Section 25120 for further references and examples of nonbusiness income.

For an individual, business income includes but is not limited to California business income or loss from Schedules C, D, D-1 (or Form 4797, Sales of Business Property, if you did not have to file a Schedule D-1), E, and F, as well as wages. Be sure to include casualty losses, disaster losses, and any business deductions reported on Schedule A as itemized deductions. **Note:** If you elected to carry back part or all of your current year disaster loss under IRC Section 165(i)(1), do not include the amount of the loss that was carried back in your current year business income for the former LARZ.

In general, all transactions and activities of the business that are dependent upon or contribute to the operations of the economic enterprise as a whole constitute trade or business.

When a corporation is part of a group of corporations engaged in a unitary business, the income and apportionment factors of the unitary group must be combined. For more information, get Schedule R. See the instructions for ordering forms on page 21.

Pass-through entities must report to their shareholders, beneficiaries, partners, and members:

1. The distributive (or pro-rata for S corporations) share of the business income apportioned to the former LARZ; and

2. The distributive (or pro-rata for S corporations) share of the business capital gains apportioned to the former LARZ included in item 1.

These items should be reported using the appropriate California schedules listed below:

- Schedule K-1 (100S), line 23;
- Schedule K-1 (541), line 11e;
- Schedule K-1 (565), line 22; or
- Schedule K-1 (568), line 22.

Apportionment

Business income is apportioned to the former LARZ by multiplying the total California business income of the taxpayer by a fraction, the numerator which is the property factor plus the payroll factor, and the denominator which is two.

Property Factor

Property is defined as the average value of all real and tangible personal property owned or rented by the business and used during the taxable or income year to produce business income.

Note: Property is included in the factor if it was available for use during the taxable or income year.

Property owned by the business is valued at its original cost. Generally, **original cost** is the basis of the property for federal income tax purposes (prior to any federal adjustment) at the time of acquisition by the business, adjusted for subsequent capital additions or improvements and partial dispositions because of sale or exchange. Allowance for depreciation is not considered.

Rented property is valued at 8 times the net annual rental rate. The net annual rental rate for any item of rented property is the total rent paid for the property, less aggregate annual subrental rates paid by subtenants.

The **numerator** of the property factor is the average value of the real and tangible personal property owned or rented by the business and used within the former LARZ during the taxable or income year to produce LARZ business income (column (b)).

The **denominator** of the property factor is the total average value of all real and tangible personal property owned or rented and used during the taxable or income year within California (column (a)).

Payroll Factor

Payroll is defined as the total amount paid to the business's employees for compensation for the production of business income during the taxable or income year.

Compensation means wages, salaries, commissions, and any other form of remuneration paid directly to employees for personal services.

Payments made to independent contractors or any other person not properly classified as an employee are excluded.

Compensation Within the Former LARZ

Compensation is considered to be within the former LARZ if either of the following tests is met:

- The employee's services are performed within the geographical boundaries of the former LARZ; or
- The employee's services are performed within and outside the former LARZ, but the services performed outside the former LARZ are incidental to the employee's service within the former LARZ.

Note: Incidental means any temporary or transitory service rendered in connection with an isolated transaction.

Compensation Within and Outside the Former LARZ

If the employee's services are performed both within and outside the former LARZ, the employee's compensation will be attributed to the former LARZ if:

- The employee's base of operations is within the former LARZ; or
- There is no base of operations in any other part of the state in which some part of the service is performed, but the place from which the service is directed or controlled is within the former LARZ.

Base of operations is the permanent place from which employees start work and customarily return in order to receive instruction from the taxpayer or communications from their customers or persons; to replenish stock or other material; to repair equipment; or to perform any other functions necessary in the exercise of their trade or profession at some other point or points.

The **numerator** of the payroll factor is the total compensation paid to employees for working within the former LARZ during the taxable or income year (column (b)).

The **denominator** of the payroll factor is the total compensation paid to employees working in California (column (a)).

Example – Computation of LARZ income assigned to each entity operating within the former LARZ:

Parent Corporation A has two subsidiaries, B and C. Corporations A and B operate within the former LARZ. The combined group operates within and outside California and apportions its income to California using Schedule R. The combined group's business income apportioned to California was \$1,000,000.

Business income apportioned to the former LARZ is determined as follows:

	A	B	Combined Group
Property Factor			
LARZ property	\$2,000,000	\$1,000,000	\$3,000,000
California property			\$5,000,000
Apportionment %	40%	20%	60%
Payroll Factor			
LARZ payroll	\$2,000,000	\$800,000	\$2,800,000
California payroll			\$4,000,000
Apportionment %	50%	20%	70%
Average Apportionment %			
	45%	20%	65%
(Property + Payroll Factors) 2			
Apportioned Business Income			\$1,000,000
LARZ INCOME	\$ 450,000	\$ 200,000	\$ 650,000

Instructions for Worksheet IV — Income Apportionment

Use Worksheet IV, Income Apportionment, to determine the amount of business income apportioned to the former LARZ. The business income apportioned to the former LARZ determines the amount of LARZ credit and NOL carryovers that can be used.

Only California source business income is apportioned to the former LARZ. A taxpayer's business income apportioned to the former LARZ is its California apportioned business income multiplied by the specific LARZ apportionment percentage.

The LARZ property and payroll factors used in the determination of apportionable business income include only the taxpayer's California amounts in the denominator.

Note: If the business operates only within the former LARZ, you do not have to complete this worksheet. Enter 100% (1.00) on line 4.

Worksheet IV Income Apportionment — Los Angeles Revitalization Zone

Use Worksheet IV if your business has net income from sources within and outside the former LARZ.

	(a) Total within California	(b) Total within the former LARZ	(c) Percentage within the former LARZ (column (b) ÷ column (a))
PROPERTY FACTOR			
1 Average yearly value of owned real and tangible personal property used in the business (at original cost). See instructions on page 6. Exclude property not connected with the business and the value of construction in progress.			
Inventory			
Buildings			
Machinery and equipment			
Furniture and fixtures			
Delivery equipment			
Land			
Other tangible assets (attach schedule)			
Rented property used in the business.			
See instructions on page 6			
Total property values			
PAYROLL FACTOR			
2 Employees' wages, salaries, commissions, and other compensation related to business income included in the return.			
Total payroll			
3 Total percentage (add the percentages in column (c))			
4 Average apportionment percentage (1/2 of line 3). Enter here and on form FTB 3806, Side 1, line 3			

The average apportionment percentage shown on line 4 represents the portion of the taxpayer's total business that is attributable to activities conducted within the former LARZ.

Note: Those factors with zero balances in the totals of column (a) will not be included in the computation of the average apportionment percentage. For example, if the taxpayer has no payroll within and outside the former LARZ, then the average apportionment percentage would be computed by dividing line 3 by one (instead of by two as normally instructed.)

Part V Net Operating Loss (NOL)

Generally, no new LARZ NOLs may be generated in taxable or income years beginning on or after January 1, 1998.

Exception: Taxpayers with taxable or income years ending before December 1, 1998, may have claimed a 1998 LARZ NOL. These taxpayers should have used the 1997 FTB 3806, Worksheet VI, Section A or Section B, to compute their 1998 LARZ NOL.

LARZ NOL carryovers may still be claimed for 15 years from the year the LARZ NOL was generated. **Note:** Financial institutions using bad debt reserve methods may carry over the loss for a maximum of 5 income years.

Limitation. A LARZ NOL deduction can offset only business income attributable to operations within the former LARZ.

Alternative Minimum Tax. Taxpayers claiming a LARZ NOL deduction must determine their NOL for alternative minimum tax (AMT) purposes. Use Schedule P (100, 540, 540NR, or 541) to compute the LARZ NOL for AMT purposes.

S Corporations. LARZ NOLs incurred prior to becoming an S corporation may not be used against S corporation income. See IRC Section 1371(b).

However, an S corporation is allowed to deduct a LARZ NOL carryover incurred after the "S" election is made. An S corporation may use the NOL carryover as a deduction against income subject to the 1.5% entity-level tax (3.5% for financial institutions).

Also, the LARZ NOL carryover of an S corporation may be different than the LARZ NOL carryover(s) of its shareholder(s).

Taxpayers Operating Within and Outside the Former LARZ. Unlike the NOL treatment on a federal consolidated return, a loss carryover for one member included in a combined report may not be applied to the intrastate apportioned income of another member included in a combined report.

For water's-edge purposes, each corporation's NOL carryover is limited to the amount determined by recomputing the income and factors of the original worldwide combined reporting group as if the water's-edge election had been in force for the year of the loss. The NOL carryover may not be increased as a result of the recomputation.

Instructions for Income or Loss Worksheet

Use the Income or Loss Worksheet on the following page to determine the amount to enter on:

- Worksheet V, line 1 and line 6 (Form 540 and Form 540NR filers); and
- Worksheet VI, Part I, line 1 and line 3.

Do not include disaster losses in any amounts used in the table.

Only California source business income is apportioned to the former LARZ.

The first step is to determine which portion of the taxpayer's net income is "business income" and which portion is "nonbusiness income," since only business income may be apportioned to the former LARZ. See Part IV (page 6) for a complete discussion of business and nonbusiness income.

Business income or loss reported on Schedules C, C-EZ, E, and F, and other schedules are reported on line 6 through line 9. Line 11 and line 12 report business gains or losses reported on Schedule D and Schedule D-1. All business income and losses should be adjusted for any differences between California and federal amounts as shown on the Schedule CA (540 or 540NR).

Income Computation (Use to compute income attributable to the former LARZ for Worksheet V and Worksheet VI)

Line 6 – Line 9: If your business operation reported on Schedule C, C-EZ, E, or F, or another schedule, is entirely within the former LARZ, enter the income or loss from this activity in column (a), and enter 1.00 in column (b).

Line 11 and Line 12: If the gain or loss reported on Schedule D or Schedule D-1 (as adjusted on Schedule CA (540 or 540NR)) was attributed to an asset used in an activity conducted entirely within the former LARZ, enter the gain or loss reported in column (a), and enter 1.00 in column (b).

Line 6 – Line 9: If your business operation reported on Schedule C, C-EZ, E, or F, or another schedule, is entirely within California, enter the income or loss from this activity in column (a). To determine the percentage figure in column (b), complete Worksheet IV. Enter the figure on Worksheet IV, line 4 in column (b) of this worksheet.

Line 11 and Line 12: If the gain or loss reported on Schedule D or Schedule D-1 (as adjusted on Schedule CA (540 or 540NR)) was attributed to an asset used in an activity conducted entirely within California, enter the gain or loss reported in column (a). To determine the percentage figure in column (b), complete Worksheet IV. Enter the figure on Worksheet IV, line 4 in column (b) of this worksheet.

Line 6 – Line 9: If your business operation reported on Schedule C, C-EZ, E, or F, or another schedule, is within and outside the former LARZ and California, get Schedule R and complete line 1 through line 13b. Enter the figure on Schedule R, line 13b in column (a) of this worksheet. To determine the percentage figure in column (b), complete Worksheet IV. Enter the figure on Worksheet IV, line 4 in column (b) of this worksheet. **Note:** When computing Schedule R, disregard any reference to Form 100, Form 565, or Form 568. Also

disregard any reference to Schedule R-3, Schedule R-4, or Schedule R-5, and skip line 11.

Nonresidents that have an apportioning business that operates within the former LARZ should have already computed Schedule R and can use those amounts when that schedule is referenced. Residents that have an apportioning business will not have completed a Schedule R for California income tax purposes since they are taxed on income from all sources. However, in order for residents to determine their California source business income for purposes of the LARZ calculation, they must also complete a Schedule R.

Line 11 and Line 12: If the gain or loss reported on Schedule D or Schedule D-1 (as adjusted on Schedule CA (540 or 540NR)) was attributed to an asset used in an activity conducted within and outside the former LARZ and California, get Schedule R and complete Schedule R-1. Multiply the gain or loss reported by the percentage on Schedule R-1, line 5 and enter the result in column (a). To determine the percentage figure in column (b), complete Worksheet IV. Enter the figure on Worksheet IV, line 4 in column (b) of this worksheet.

Part I — Individual Income and Expense Items

Wages. Taxpayers with wages from a company located within and outside the former LARZ must determine the LARZ wage income by entering the percentage of their time (during the period for which the wages entered on line 1 were earned) that they worked within the former LARZ. This percentage must be determined based on their record of time and events such as a travel log or entries in a daily planner.

Part II — Pass-Through Income or Loss

Multiple Pass-Through Entities. If you are a shareholder, partner or member in multiple pass-through entities with businesses located within and outside the former LARZ from which you received LARZ incentives, see the example below for computing business income in the former LARZ.

Example:

Pass-through entity	Trade or business income from Schedule K-1 (100S, 541, 565 or 568)	Entity's LARZ apportionment percentage	LARZ apportioned income
ABC, Inc.	\$40,000	80%	\$32,000
A, B & C	30,000	10%	3,000
ABC, LLC	10,000	50%	5,000
			\$40,000

Part III — Taxpayer's Trade or Business

Business Income. Use business income or loss from Form 1040 Schedules C, C-EZ, E, and F, plus California adjustments from Schedule CA (540 or 540NR) for each trade or business. Also include business capital gains and losses from Schedule D and business gains and losses from Schedule D-1 (as adjusted on Schedule CA (540 or 540NR)).

Line 14 – If the result on the Income or Loss Worksheet, line 14, column (c) is a **negative** amount, you do not have income attributable to the former LARZ and you cannot claim any LARZ credit or NOL carryovers this year.

If the result on the Income or Loss Worksheet, line 14, column (c) is a **positive** amount and:

- You have LARZ NOL carryovers, enter the amount on Worksheet V, line 1 and line 6 (skip line 2 through line 5). Also enter the amount from the Income or Loss Worksheet, line 14, column (c) on Worksheet VI, Part I, line 1 and line 3 (skip line 2) if you have LARZ credit carryovers; or
- You do not have LARZ NOL carryovers but you do have LARZ credit carryovers, enter the amount on Worksheet VI, Part I, line 1 and line 3 (skip line 2).

Income or Loss Worksheet — Los Angeles Revitalization Zone

Part I Individual Income and Expense Items. See instructions.

	(a) Amount	(b) % of time providing services in the former LARZ	(c) Apportioned amount (a) x (b)
1 Wages			
2 Employee business expenses			
3 Subtotal: Enter the total of line 1, column (c) and line 2, column (c) in column (c), this line			

Part II Pass-Through Income or Loss. See instructions.

(a) Name of entity	(b) Distributive or pro-rata share of business income or loss apportioned to the former LARZ from Schedule K-1 (100S, 541, 565, or 568) including capital gains and losses
4	
5 Subtotal: Enter the total of line 4, column (b) in column (b), this line ..	

Part III Taxpayer's Trade or Business. See instructions.

	(a) California business income or loss	(b) Apportionment % for the former LARZ	(c) Apportioned income or loss (a) x (b)
6 Schedule C or C-EZ			
7 Schedule E (Rentals)			
8 Schedule F			
9 Other			
10 Subtotal: Enter the total of line 6 through line 9, column (c) in column (c), this line			
	(a) California business gain or loss	(b) Apportionment % for the former LARZ	(c) Apportioned gain or loss (a) x (b)
11 Schedule D			
12 Schedule D-1			
13 Subtotal: Enter the total of line 11, column (c) and line 12, column (c) in column (c), this line			
14 Total: Enter the total of line 3, line 10, and line 13, column (c) and line 5, column (b) in column (c), this line			

Instructions for Worksheet V — Net Operating Loss (NOL) Carryover and Carryover Limitations

Use this worksheet to compute the LARZ NOL deduction for corporations, individuals, and exempt trusts. The LARZ NOL deduction is used to reduce current year income from the former LARZ.

Line 1 – See Part IV (page 6) for a discussion of business and nonbusiness income.

Note to Form 540 and Form 540NR filers:

Be sure to include casualty losses, disaster losses, and any business deductions reported on Schedule A as itemized deductions.

Exception: If you elected to carry back part or all of your current year disaster loss under IRC Section 165(i)(1), do not include the amount of the loss that was carried back in your current year business income for the former LARZ.

Line 2 – In modifying your income, deduct your capital losses only up to your capital gains. Enter any net capital losses included in line 1 as a positive number.

Line 3 – Corporations must reduce income by the disaster loss deduction and the deduction for excess net passive income.

Line 6 – This is your modified taxable income (MTI). Reduce this amount by your LARZ NOL deduction. The LARZ NOL deduction may not be larger than your MTI. If your MTI is a loss in the current year or if it limits the amount of NOL you may use this year, you must carry over the NOL to future years.

Line 7 – Enter the amount from line 6. If this amount is zero or negative, transfer the amount(s) from line 8 through line 14, column (b) to column (e). Go to line 15.

Line 8 through Line 14 – Enter the amounts as positive numbers.

In column (c), enter the smaller of the amount in column (b) or the amount in column (d) from the previous line.

In column (d), enter the result of subtracting column (c) from the balance on the previous line in column (d).

In column (e), enter the result of subtracting the amount in column (c) from the amount in column (b), as applicable.

Example:

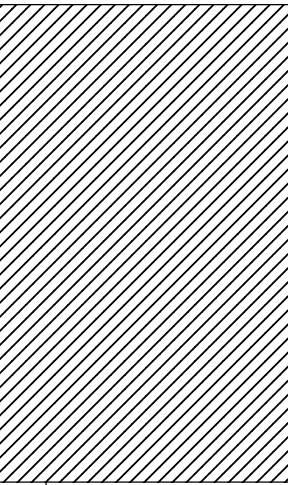
(b) Carry-over from prior year	(c) Amount deducted this year	(d) Balance available to offset losses	(e) LARZ NOL carryover
\$ 500	\$ 500	4,500	\$ 0
6,000	4,500	0	1,500





Line 15 – Enter the totals from column (b), column (c), and column (e) on form FTB 3806, Side 1, line 2a, line 2b, and line 2c, respectively.

Your LARZ NOL deduction for 1999 is the amount on line 15, column (c). Enter this amount on your California tax return or schedule as follows:

- Form 100, line 20;
- Form 100S, line 19;
- Form 109, line 3 or line 11;
- Schedule CA (540), line 21e, column B; or
- Schedule CA (540NR), line 21e, column B.

Worksheet V Net Operating Loss (NOL) Carryover and Carryover Limitations — Los Angeles Revitalization Zone

1 Enter the amount from Form 100, line 17; Form 100S, combined amounts of line 15 and line 17; or Form 109, line 1 or line 10. Form 540 and Form 540NR filers, enter the total from the Income or Loss Worksheet, line 14, column (c) (page 9) on line 1 and line 8 (skip line 2 through line 5). See instructions. Note: Apportioning corporations, enter the amount from Schedule R, line 13b	1		
2 a Form 100, Form 100S, and Form 109 filers: Enter any nonbusiness income included in line 1 as a negative number. Form 540 and Form 540NR filers leave blank	2a		
b Form 100, Form 100S, and Form 109 filers: Enter any nonbusiness losses included in line 1 as a positive number. Form 540 and Form 540NR filers leave blank	2b		
c Combine line 2a and line 2b	2c		
3 Form 100 filers: Enter the amount from Form 100, line 21. Form 100S filers: Enter the total of the amounts from Form 100S, line 17 and line 20. Form 540, Form 540NR, and Form 109 filers: Enter -0-. Enter this amount as a negative number	3		
4 Combine line 1, line 2c, and line 3	4		
5 Enter the average apportionment percentage from Worksheet IV, line 4	5		
6 Modified taxable income. Multiply line 4 by line 5	6		

(a) Description	(b) Carryover from prior year	(c) Amount deducted this year	(d) Balance available to offset losses	(e) LARZ NOL carryover
7 Modified taxable income from line 6				
8 LARZ NOL carryover beginning in 1992				
9 LARZ NOL carryover beginning in 1993				
10 LARZ NOL carryover beginning in 1994				
11 LARZ NOL carryover beginning in 1995				
12 LARZ NOL carryover beginning in 1996				
13 LARZ NOL carryover beginning in 1997				
14 LARZ NOL carryover beginning in 1998				
15 Total the amounts in column (b), column (c), and column (e). See instructions				

Part VI Computation of Credit Carryover Limitations

No new LARZ credits may be generated in taxable or income years beginning on or after January 1, 1998. However, LARZ credit carryovers may still be claimed for 15 years from the year the credit was generated.

Credit Carryover Limitations. The amount of credit carryover you can claim on your California tax return is limited by the amount of tax attributable to the business income generated within the former LARZ. Use Worksheet VI on form FTB 3806, Side 2 to compute this limitation.

Credit carryovers you are otherwise eligible to claim may be limited. Do not apply credit carryovers against the minimum franchise tax (corporations, limited partnerships, limited liability partnerships, LLCs, and S corporations), the alternative minimum tax (corporations, exempt organizations, individuals, and fiduciaries), the built-in gains tax (S corporations), or the net passive income tax (S corporations). Refer to the credit instructions in your tax booklet for more information.

Carryover. If the amount of credit carryover available this year exceeds your tax, you may carry over any excess credit to future years. The maximum carryover period is 15 years. Apply the carryover to the earliest taxable or income year(s) possible. In no event can the credit carryover be carried back and applied against a prior year's tax. Even though the LARZ has expired, the tax must continue to be computed on income as if the LARZ were still in existence.

For S corporations, the amount of credit carryover that is in excess of the 1.5% entity-level tax (3.5% for financial S corporations) in the current year may be carried forward and used in future years to offset the 1.5% entity-level tax (3.5% for financial S corporations). See the instructions for Worksheet VI, Part III for more information.

Credit Code Number. You must use credit code number **159** to claim the LARZ hiring and sales or use tax credit carryovers on your return. Using the incorrect code number may cause a delay in allowing the credit.

Instructions for Worksheet VI — Computation of Credit Carryover Limitations

Note: Worksheet VI is on Side 2 of form FTB 3806.

Partnerships and LLCs taxed as partnerships do not complete Worksheet VI. The partners and members of these types of entities should complete Worksheet VI in order to determine the amount of LARZ credit carryovers that they may claim on their California tax return. S corporations and their shareholders must each complete Worksheet VI.

Reporting Requirements of S Corporations, Estates or Trusts, Partnerships, and LLCs Taxed as Partnerships.

- Report to shareholders, beneficiaries, partners, and members, the distributive or pro-rata share of business income, loss, and deductions apportioned to the former LARZ; and
- Separately state the distributive or pro-rata share of any business capital gains and losses apportioned to the former LARZ included in the amount above.

S corporations: Complete Part I and Part III of this worksheet if your entity-level tax before credits is more than the minimum franchise tax.

Corporations and S corporations subject to the minimum tax only: Complete only Part IV of this worksheet.

All others: Complete Part I and Part II of this worksheet.

Part I

Note: For filers with LARZ NOL carryovers:

- Complete Worksheet V first if you have a LARZ NOL carryover(s).
- Then complete Worksheet VI if you have any LARZ credit carryovers.

If you do not have any LARZ NOL carryovers:

- Individuals: Go to the Income or Loss Worksheet in Part V. Follow the instructions there. Enter the amount from the Income or Loss Worksheet, line 14, column (c) on Worksheet VI, Part I, line 1 and line 3 (skip line 2).
- Corporations: Follow the instructions for line 1 below.

Line 1 – See page 6 for a definition of trade or business income. Enter all trade or business income.

Line 2 – If your business is located entirely within the former LARZ, enter 1.

Specifically, this percentage is the apportionment percentage computed by the entity using FTB 3806, Worksheet IV, and represents the percentage of the entity's business attributable to the former LARZ.

Line 6a – Compute the tax as if the taxable income generated within the former LARZ represented all of your taxable income.

Individuals: Use the tax table or tax rate schedule in your tax booklet for your filing status. **Exempt organizations:** Use the applicable tax rate in your tax booklet. **Corporations and S corporations:** Use the applicable tax rate.

Example (Determination of LARZ Income for Shareholders, Partners, or Members of Pass-Through Entities): Gregory Smith is vice president of ABC, Inc., an S corporation that has two locations: one within the former LARZ and one outside the former LARZ. Eighty percent (80%) of the S corporation's business is attributable to the former LARZ. (Note: This percentage was determined by ABC, Inc. using FTB 3806, Worksheet IV,

Income Apportionment Worksheet, when ABC's California S corporation return (Form 100S) was prepared.) Gregory divides his time equally (50%/50%) between the two offices of ABC, Inc.

Mary Smith (Gregory's spouse) works for ABC, Inc. at its office located within the former LARZ.

Gregory and Mary Smith have the following 1999 items of California income and expense:

Gregory's salary from ABC, Inc. . . . \$100,000
Mary's salary from ABC, Inc. 75,000
Interest on savings account 1,000
Dividends 3,000
Schedule K-1 (100S) from ABC, Inc.:

Ordinary income 40,000
Gregory's unreimbursed employee expenses from Schedule A (2,000)

The Smiths' income generated within the former LARZ (total amount to be reported on line 3) is computed as follows:

Gregory's LARZ (\$100,000 x 50%) . \$50,000
Mary's LARZ salary
(\$75,000 x 100%) 75,000
Pass-through ordinary income from
ABC, Inc. (\$40,000 x 80%) 32,000
Gregory's unreimbursed employee
business expenses
(2,000 x 50%) (1,000)
Total LARZ income (Worksheet VII,
Part I, line 3) \$156,000

Note: The standard deduction and personal or dependency exemptions are not included in the computation of LARZ income since they are not related to trade or business activities.

Gregory and Mary Smith must compute the tax (to be entered on Worksheet VI, Part I, line 6a) on the total LARZ income of \$156,000 (as if it represents all of their income). Using the tax rate schedule in their tax booklet for filing status married filing joint, the 1999 tax figured on \$156,000 is \$11,124.

Line 6b – Corporations and S corporations:

If the amount on line 6b is the minimum franchise tax (\$800), you cannot use your LARZ credit carryovers this year. You should complete Part IV of the worksheet to figure the amount to carry over.

Part II

Use Part II if you are a corporation, individual, estate, or trust. Corporations that are subject to paying only the minimum franchise tax, go to Part IV.

Line 8A, column (c) – Enter the amount from line 7. This is the amount of limitation based on the tax on business income generated within the former LARZ.

Line 8A, column (d) – Enter the amount of credit carryover that is used on Schedule P (100, 540, 540NR, or 541), column (b). The amount cannot be greater than the amount in column (c) or the amount computed on line 8B, column (b).

Line 8B, column (b) – Enter the amount of the total prior year carryover of the credit. This is the amount of credit carryover that was previously figured on Worksheet VII, Part II, line 8B, column (g) of the prior year return.

Line 8B, column (c) – Compare the amount of line 8A, column (c) and line 8A, column (d). Enter the smaller amount.

Line 8B, column (e) – Subtract the amount of column (c) from the amount of column (b). Enter the result in column (e). This is the amount of credit carryover that can be carried over to future years. **Note:** This carryover includes both the Schedule P (100, 540, 540NR, or 541) limitation and the limitation based on LARZ business income.

Line 9A, column (c) – Subtract the amount of line 8B, column (c) from the amount of line 8A, column (c). If the result is zero, your remaining credit carryovers are limited and must be carried over to future years. In this case, enter the amounts from line 9B, column (b) and line 10B, column (b) on line 9B and 10B, column (e).

Example: Part II

The ABC Business has \$8,000 of tax. The business has a credit limitation of \$7,000 computed on Worksheet VI, line 7. The business has the following credit carryovers:

Construction hiring credit carryover – \$5,000
General hiring credit carryover – \$800
Sales or use tax credit carryover – \$9,000

Worksheet VI, Part II would be computed as follows:

Part II Limitation of Credits for Corporations, Individuals, and Estates and Trusts

(a) Credit name		(b) Total prior year credit carryover	(c) Limitation based on LARZ business income	(d) Used on Schedule P (can never be greater than col. (b) or col. (c))	(e) Carryover (col. (b) minus col. (c))
8 Construction hiring	A		7,000	5,000	
	B	5,000	5,000		-0-
9 General hiring	A		2,000	800	
	B	800	800		-0-
10 Sales or use tax	A		1,200	1,200	
	B	9,000	1,200		7,800

Part III

Use Part III only if you are an S corporation.

You may need to adjust your Schedule C to reflect the LARZ tax limitation (Part I, line 7) on your credits after completing this worksheet.

Line 11 through Line 13, column (b) – Enter the amount of the total prior year credit carryover on line 11, column (d); line 12, column (d); and line 13, column (d), as applicable. These are the amounts of credit carryovers that were previously figured on Worksheet VII, Part III, line 11, line 12, and line 13, column (g) of the prior year return, as applicable.

Line 9A, column (d) – Enter the amount of credit carryover that is used on Schedule P (100, 540, 540NR, or 541), column (b). The amount cannot be greater than the amount in column (c) or the amount computed on line 9B, column (b).

Line 9B, column (b) – Enter the amount of the total prior year carryover of the credit. This is the amount of credit carryover that was previously figured on Worksheet VII, Part II, line 9B, column (g) of the prior year return.

Line 9B, column (c) – Compare the amount of line 9A, column (c) and line 9A, column (d). Enter the smaller amount.

Line 9B, column (e) – Subtract the amount of column (c) from the amount of column (b). Enter the result in column (e). This is the amount of credit carryover that can be carried over to future years. **Note:** This carryover includes both the Schedule P (100, 540, 540NR, or 541) limitation and the limitation based on LARZ income.

Line 10A, column (c) – Subtract the amount of line 9B, column (c) from the amount of line 9A, column (c). If the result is zero, your remaining credit carryover is limited and must

be carried over to future years. In this case, enter the amount from line 10B, column (b) in column (e).

Line 10A, column (d) – Enter the amount of credit carryover that is used on Schedule P (100, 540, 540NR, or 541), column (b). The amount cannot be greater than the amount in column (c) or the amount computed on line 10B, column (b).

Line 10B, column (b) – Enter the amount of total prior year carryover of the credit. This is the amount of credit carryover that was previously figured on Worksheet VII, Part II, line 10B, column (g) of the prior year return.

Line 10B, column (c) – Compare the amount of line 10A, column (c) and line 10A, column (d). Enter the smaller amount.

Line 10B, column (g) – Subtract the amount of column (c) from the amount of column (b). Enter the result in column (e). This is the amount of credit carryover that can be carried over to future years. **Note:** This carryover includes both the Schedule P (100, 540, 540NR, or 541) limitation and the limitation based on LARZ income.

Part IV

Use Part IV if you are a corporation or S corporation subject to paying only the minimum franchise tax.

Line 14 through Line 16, column (b) – Enter the amount of the total prior year carryover of the credit in column (c) for line 14, line 15, and line 16, as applicable. These are the amounts of credit carryovers that were previously figured on Worksheet VII, Part IV, line 14, line 15, and line 16, column (d) of the prior year return, as applicable.

Line 14 through Line 16, column (c) – Enter the amount in column (b) for line 14, line 15, and line 16 in this column for line 14, line 15, and line 16, as applicable.

FTB 3806

Codes for Principal Business Activity

This list of principal business activities and their associated codes is designed to classify a business by the type of activity in which it is engaged to facilitate the administration of the California Revenue and Taxation Code. For taxable or income years beginning on or after January 1, 1998, these principal business activity codes are based on the North American Industry Classification System published by the United States Office of Management and Budget, 1997 Edition.

Agriculture, Forestry, Fishing and Hunting

Code

Crop Production

- 111100 Oilseed & Grain Farming
- 111210 Vegetable & Melon Farming (including potatoes & yams)
- 111300 Fruit & Tree Nut Farming
- 111400 Greenhouse, Nursery, & Floriculture Production
- 111900 Other Crop Farming (including tobacco, cotton, sugarcane, hay, peanut, sugar beet & all other crop farming)

Animal Production

- 112111 Beef Cattle Ranching & Farming
- 112112 Cattle Feedlots
- 112120 Dairy Cattle & Milk Production
- 112210 Hog & Pig Farming
- 112300 Poultry & Egg Production
- 112400 Sheep & Goat Farming
- 112510 Animal Aquaculture (including shellfish & finfish farms & hatcheries)
- 112900 Other Animal Production

Forestry and Logging

- 113110 Timber Tract Operations
- 113210 Forest Nurseries & Gathering of Forest Products
- 113310 Logging

Fishing, Hunting and Trapping

- 114110 Fishing
- 114210 Hunting & Trapping

Support Activities for Agriculture and Forestry

- 115110 Support Activities for Crop Production (including cotton ginning, soil preparation, planting, & cultivating)
- 115210 Support Activities for Animal Production
- 115310 Support Activities for Forestry

Mining

- 211110 Oil & Gas Extraction
- 212110 Coal Mining
- 212200 Metal Ore Mining
- 212310 Stone Mining & Quarrying
- 212320 Sand, Gravel, Clay, & Ceramic & Refractory

Minerals Mining & Quarrying

- 212390 Other Nonmetallic Mineral Mining & Quarrying
- 213110 Support Activities for Mining

Utilities

- 221100 Electric Power Generation, Transmission & Distribution
- 221210 Natural Gas Distribution
- 221300 Water, Sewage & Other Systems

Construction

Code

Building, Developing, and General Contracting

- 233110 Land Subdivision & Land Development
- 233200 Residential Building Construction
- 233300 Nonresidential Building Construction

Heavy Construction

- 234100 Highway, Street, Bridge, & Tunnel Construction
- 234900 Other Heavy Construction

Special Trade Contractors

- 235110 Plumbing, Heating, & Air-Conditioning Contractors
- 235210 Painting & Wall Covering Contractors
- 235310 Electrical Contractors
- 235400 Masonry, Drywall, Insulation, & Tile Contractors
- 235500 Carpentry & Floor Contractors
- 235610 Roofing, Siding, & Sheet Metal Contractors
- 235710 Concrete Contractors
- 235810 Water Well Drilling Contractors
- 235900 Other Special Trade Contractors

Manufacturing

Food Manufacturing

- 311110 Animal Food Mfg
- 311200 Grain & Oilseed Milling
- 311300 Sugar & Confectionery Product Mfg
- 311400 Fruit & Vegetable Preserving & Specialty Food Mfg
- 311500 Dairy Product Mfg
- 311610 Animal Slaughtering and Processing
- 311710 Seafood Product Preparation & Packaging
- 311800 Bakeries & Tortilla Mfg
- 311900 Other Food Mfg (including coffee, tea, flavorings & seasonings)

Beverage and Tobacco Product Manufacturing

- 312110 Soft Drink & Ice Mfg
- 312120 Breweries
- 312130 Wineries
- 312140 Distilleries
- 312200 Tobacco Manufacturing

Textile Mills and Textile Product Mills

- 313000 Textile Mills
- 314000 Textile Product Mills

Apparel Manufacturing

- 315100 Apparel Knitting Mills
- 315210 Cut & Sew Apparel Contractors
- 315220 Men's & Boys' Cut & Sew Apparel Mfg

Code

- 315230 Women's & Girls' Cut & Sew Apparel Mfg
- 315290 Other Cut & Sew Apparel Mfg
- 315990 Apparel Accessories & Other Apparel Mfg

Leather and Allied Product Manufacturing

- 316110 Leather & Hide Tanning & Finishing
- 316210 Footwear Mfg (including rubber & plastics)
- 316990 Other Leather & Allied Product Mfg

Wood Product Manufacturing

- 321110 Sawmills & Wood Preservation
- 321210 Veneer, Plywood, & Engineered Wood Product Mfg
- 321900 Other Wood Product Mfg

Paper Manufacturing

- 322100 Pulp, Paper, & Paperboard Mills
- 322200 Converted Paper Product Mfg

Printing and Related Support Activities

- 323100 Printing & Related Support Activities

Petroleum and Coal Products Manufacturing

- 324110 Petroleum Refineries (including integrated)
- 324120 Asphalt Paving, Roofing, & Saturated Materials Mfg
- 324190 Other Petroleum & Coal Products Mfg

Chemical Manufacturing

- 325100 Basic Chemical Mfg
- 325200 Resin, Synthetic Rubber, & Artificial & Synthetic Fibers & Filaments Mfg
- 325300 Pesticide, Fertilizer, & Other Agricultural Chemical Mfg
- 325410 Pharmaceutical & Medicine Mfg
- 325500 Paint, Coating, & Adhesive Mfg
- 325600 Soap, Cleaning Compound, & Toilet Preparation Mfg
- 325900 Other Chemical Product & Preparation Mfg

Plastics and Rubber Products Manufacturing

- 326100 Plastics Product Mfg
- 326200 Rubber Product Mfg

Nonmetallic Mineral Product Manufacturing

- 327100 Clay Product & Refractory Mfg
- 327210 Glass & Glass Product Mfg
- 327300 Cement & Concrete Product Mfg
- 327400 Lime & Gypsum Product Mfg
- 327900 Other Nonmetallic Mineral Product Mfg

Primary Metal Manufacturing

- 331110 Iron & Steel Mills & Ferroalloy Mfg
- 331200 Steel Product Mfg from Purchased Steel
- 331310 Alumina & Aluminum Production & Processing
- 331400 Nonferrous Metal (except Aluminum) Production & Processing
- 331500 Foundries

Fabricated Metal Product Manufacturing

- 332110 Forging & Stamping
- 332210 Cutlery & Handtool Mfg
- 332300 Architectural & Structural Metals Mfg
- 332400 Boiler, Tank, & Shipping Container Mfg
- 332510 Hardware Mfg
- 332610 Spring & Wire Product Mfg
- 332700 Machine Shops; Turned Product; & Screw, Nut, & Bolt Mfg
- 332810 Coating, Engraving, Heat Treating, & Allied Activities

Code

- 332900 Other Fabricated Metal Product Mfg

Machinery Manufacturing

- 333100 Agriculture, Construction, & Mining Machinery Mfg
- 333200 Industrial Machinery Mfg
- 333310 Commercial & Service Industry Machinery Mfg
- 333410 Ventilation, Heating, Air-Conditioning, & Commercial Refrigeration Equipment Mfg
- 333510 Metalworking Machinery Mfg
- 333610 Engine, Turbine & Power Transmission Equipment Mfg
- 333900 Other General Purpose Machinery Mfg

Computer and Electronic Product Manufacturing

- 334110 Computer & Peripheral Equipment Mfg
- 334200 Communications Equipment Mfg
- 334310 Audio & Video Equipment Mfg
- 334410 Semiconductor & Other Electronic Component Mfg
- 334500 Navigational, Measuring, Electromedical, & Control Instruments Mfg
- 334610 Manufacturing & Reproducing Magnetic & Optical Media

Electrical Equipment, Appliance, and Component Manufacturing

- 335100 Electric Lighting Equipment Mfg
- 335200 Household Appliance Mfg
- 335310 Electrical Equipment Mfg
- 335900 Other Electrical Equipment & Component Mfg

Transportation Equipment Manufacturing

- 336100 Motor Vehicle Mfg
- 336210 Motor Vehicle Body & Trailer Mfg
- 336300 Motor Vehicle Parts Mfg
- 336410 Aerospace Product & Parts Mfg
- 336510 Railroad Rolling Stock Mfg
- 336610 Ship & Boat Building
- 336990 Other Transportation Equipment Mfg

Furniture and Related Product Manufacturing

- 337000 Furniture & Related Product Manufacturing

Miscellaneous Manufacturing

- 339110 Medical Equipment & Supplies Mfg
- 339900 Other Miscellaneous Manufacturing

Wholesale Trade

Wholesale Trade, Durable Goods

- 421100 Motor Vehicle & Motor Vehicle Parts & Supplies Wholesalers
- 421200 Furniture & Home Furnishing Wholesalers
- 421300 Lumber & Other Construction Materials Wholesalers
- 421400 Professional & Commercial Equipment & Supplies Wholesalers
- 421500 Metal & Mineral (except Petroleum) Wholesalers
- 421600 Electrical Goods Wholesalers
- 421700 Hardware, & Plumbing & Heating Equipment & Supplies Wholesalers
- 421800 Machinery, Equipment, & Supplies Wholesalers
- 421910 Sporting & Recreational Goods & Supplies Wholesalers
- 421920 Toy & Hobby Goods & Supplies Wholesalers
- 421930 Recyclable Material Wholesalers
- 421940 Jewelry, Watch, Precious Stone, & Precious Metal Wholesalers
- 421990 Other Miscellaneous Durable Goods Wholesalers

Code	Code	Code	Code
Wholesale Trade, Nondurable Goods	Clothing and Clothing Accessories Stores	Support Activities for Transportation	Securities & Commodity Exchanges
422100 Paper & Paper Product Wholesalers	448110 Men's Clothing Stores	488100 Support Activities for Air Transportation	523900 Other Financial Investment Activities (including portfolio management & investment advice)
422210 Drugs & Druggists' Sundries Wholesalers	448120 Women's Clothing Stores	488210 Support Activities for Rail Transportation	Insurance Carriers and Related Activities
422300 Apparel, Piece Goods, & Notions Wholesalers	448130 Children's & Infants' Clothing Stores	488300 Support Activities for Water Transportation	524140 Direct Life, Health, & Medical Insurance & Reinsurance Carriers
422400 Grocery & Related Product Wholesalers	448140 Family Clothing Stores	488410 Motor Vehicle Towing	524150 Direct Insurance & Reinsurance (except Life, Health & Medical) Carriers
422500 Farm Product Raw Material Wholesalers	448150 Clothing Accessories Stores	488490 Other Support Activities for Road Transportation	524210 Insurance Agencies & Brokerages
422600 Chemical & Allied Products Wholesalers	448190 Other Clothing Stores	488510 Freight Transportation Arrangement	524290 Other Insurance Related Activities
422700 Petroleum & Petroleum Products Wholesalers	448210 Shoe Stores	488990 Other Support Activities for Transportation	Funds, Trusts, and Other Financial Vehicles
422800 Beer, Wine, & Distilled Alcoholic Beverage Wholesalers	448310 Jewelry Stores	Couriers and Messengers	525100 Insurance & Employee Benefit Funds
422910 Farm Supplies Wholesalers	448320 Luggage & Leather Goods Stores	492110 Couriers	525910 Open-End Investment Funds (Form 1120-RIC)
422920 Book, Periodical, & Newspaper Wholesalers	Sporting Goods, Hobby, Book, and Music Stores	492210 Local Messengers & Local Delivery	525920 Trusts, Estates, & Agency Accounts
422930 Flower, Nursery Stock, & Florists' Supplies Wholesalers	451110 Sporting Goods Stores	Warehousing and Storage	525930 Real Estate Investment Trusts (Form 1120-REIT)
422940 Tobacco & Tobacco Product Wholesalers	451120 Hobby, Toy, & Game Stores	493100 Warehousing & Storage (except lessors of miniwarehouses & self-storage units)	525990 Other Financial Vehicles
422950 Paint, Varnish, & Supplies Wholesalers	451130 Sewing, Needlework, & Piece Goods Stores	Information	Real Estate and Rental and Leasing
422990 Other Miscellaneous Nondurable Goods Wholesalers	451140 Musical Instrument & Supplies Stores	Publishing Industries	Real Estate
Retail Trade	451211 Book Stores	511110 Newspaper Publishers	531110 Lessors of Residential Buildings & Dwellings
Motor Vehicle and Parts Dealers	451212 News Dealers & Newsstands	511120 Periodical Publishers	531120 Lessors of Nonresidential Buildings (except Miniwarehouses)
441110 New Car Dealers	451220 Prerecorded Tape, Compact Disc, & Record Stores	511130 Book Publishers	531130 Lessors of Miniwarehouses & Self-Storage Units
441120 Used Car Dealers	General Merchandise Stores	511140 Database & Directory Publishers	531190 Lessors of Other Real Estate Property
441210 Recreational Vehicle Dealers	452110 Department stores	511190 Other Publishers	531210 Offices of Real Estate Agents & Brokers
441221 Motorcycle Dealers	452900 Other General Merchandise Stores	511210 Software Publishers	531310 Real Estate Property Managers
441222 Boat Dealers	Miscellaneous Store Retailers	Motion Picture and Sound Recording Industries	531320 Offices of Real Estate Appraisers
441229 All Other Motor Vehicle Dealers	453110 Florists	512100 Motion Picture & Video Industries (except video rental)	531390 Other Activities Related to Real Estate
441300 Automotive Parts, Accessories, & Tire Stores	453210 Office Supplies & Stationery Stores	512200 Sound Recording Industries	Rental and Leasing Services
Furniture and Home Furnishings Stores	453220 Gift, Novelty, & Souvenir Stores	Broadcasting and Telecommunications	532100 Automotive Equipment Rental & Leasing
442110 Furniture Stores	453310 Used Merchandise Stores	513100 Radio & Television Broadcasting	532210 Consumer Electronics & Appliances Rental
442210 Floor Covering Stores	453910 Pet & Pet Supplies Stores	513200 Cable Networks & Program Distribution	532220 Formal Wear & Costume Rental
442291 Window Treatment Stores	453920 Art Dealers	513300 Telecommunications (including paging, cellular, satellite, & other telecommunications)	532230 Video Tape & Disc Rental
442299 All Other Home Furnishings Stores	453930 Manufactured (Mobile) Home Dealers	Information Services and Data Processing Services	532290 Other Consumer Goods Rental
Electronics and Appliance Stores	453990 All Other Miscellaneous Store Retailers (including tobacco, candle, & trophy shops)	514100 Information Services (including news syndicates, libraries, & on-line information services)	532310 General Rental Centers
443111 Household Appliance Stores	Nonstore Retailers	514210 Data Processing Services	532400 Commercial & Industrial Machinery & Equipment Rental & Leasing
443112 Radio, Television, & Other Electronics Stores	454110 Electronic Shopping & Mail-Order Houses	Finance and Insurance	Lessors of Nonfinancial Intangible Assets (except copyrighted works)
443120 Computer & Software Stores	454210 Vending Machine Operators	Depository Credit Intermediation	533110 Lessors of Nonfinancial Intangible Assets (except copyrighted works)
443130 Camera & Photographic Supplies Stores	454311 Heating Oil Dealers	522110 Commercial Banking	Professional, Scientific, and Technical Services
Building Material and Garden Equipment and Supplies Dealers	454312 Liquefied Petroleum Gas (Bottled Gas) Dealers	522120 Savings Institutions	Legal Services
444110 Home Centers	454319 Other Fuel Dealers	522130 Credit Unions	541110 Offices of Lawyers
444120 Paint & Wallpaper Stores	454390 Other Direct Selling Establishments (including door-to-door retailing, frozen food plan providers, party plan merchandisers, & coffee-break service providers)	522190 Other Depository Credit Intermediation	541190 Other Legal Services
444130 Hardware Stores	Transportation and Warehousing	Nondepository Credit Intermediation	Accounting, Tax Preparation, Bookkeeping, and Payroll Services
444190 Other Building Material Dealers	Air, Rail, and Water Transportation	522210 Credit Card Issuing	541211 Offices of Certified Public Accountants
444200 Lawn & Garden Equipment & Supplies Stores	481000 Air Transportation	522220 Sales Financing	541213 Tax Preparation Services
Food and Beverage Stores	482110 Rail Transportation	522291 Consumer Lending	541214 Payroll Services
445110 Supermarkets and Other Grocery (except Convenience) Stores	483000 Water Transportation	522292 Real Estate Credit (including mortgage bankers & originators)	541219 Other Accounting Services
445120 Convenience Stores	Truck Transportation	522293 International Trade Financing	Architectural, Engineering, and Related Services
445210 Meat Markets	484110 General Freight Trucking, Local	522294 Secondary Market Financing	541310 Architectural Services
445220 Fish & Seafood Markets	484120 General Freight Trucking, Long-distance	522298 All Other Nondepository Credit Intermediation	541320 Landscape Architecture Services
445230 Fruit & Vegetable Markets	484200 Specialized Freight Trucking	Activities Related to Credit Intermediation	541330 Engineering Services
445291 Baked Goods Stores	Transit and Ground Passenger Transportation	522300 Activities Related to Credit Intermediation (including loan brokers)	541340 Drafting Services
445292 Confectionery & Nut Stores	485110 Urban Transit Systems	Securities, Commodity Contracts, and Other Financial Investments and Related Activities	541350 Building Inspection Services
445299 All Other Specialty Food Stores	485210 Interurban & Rural Bus Transportation	523110 Investment Banking & Securities Dealing	
445310 Beer, Wine, & Liquor Stores	485310 Taxi Service	523120 Securities Brokerage	
Health and Personal Care Stores	485320 Limousine Service	523130 Commodity Contracts Dealing	
446110 Pharmacies & Drug Stores	485410 School & Employee Bus Transportation	523140 Commodity Contracts Brokerage	
446120 Cosmetics, Beauty Supplies, & Perfume Stores	485510 Charter Bus Industry		
446130 Optical Goods Stores	485990 Other Transit & Ground Passenger Transportation		
446190 Other Health & Personal Care Stores	Pipeline Transportation		
Gasoline Stations	486000 Pipeline Transportation		
447100 Gasoline Stations (including convenience stores with gas)	Scenic & Sightseeing Transportation		
	487000 Scenic & Sightseeing Transportation		

<p>Code</p> <p>541360 Geophysical Surveying & Mapping Services</p> <p>541370 Surveying & Mapping (except Geophysical) Services</p> <p>541380 Testing Laboratories</p> <p>Specialized Design Services</p> <p>541400 Specialized Design Services (including interior, industrial, graphic, & fashion design)</p> <p>Computer Systems Design and Related Services</p> <p>541511 Custom Computer Programming Services</p> <p>541512 Computer Systems Design Services</p> <p>541513 Computer Facilities Management Services</p> <p>541519 Other Computer Related Services</p> <p>Other Professional, Scientific, and Technical Services</p> <p>541600 Management, Scientific, & Technical Consulting Services</p> <p>541700 Scientific Research & Development Services</p> <p>541800 Advertising & Related Services</p> <p>541910 Marketing Research & Public Opinion Polling</p> <p>541920 Photographic Services</p> <p>541930 Translation & Interpretation Services</p> <p>541940 Veterinary Services</p> <p>541990 All Other Professional, Scientific, & Technical Services</p> <p>Management of Companies (Holding Companies)</p> <p>551111 Offices of Bank Holding Companies</p> <p>551112 Offices of Other Holding Companies</p>	<p>Code</p> <p>561500 Travel Arrangement & Reservation Services</p> <p>561600 Investigation & Security Services</p> <p>561710 Exterminating & Pest Control Services</p> <p>561720 Janitorial Services</p> <p>561730 Landscaping Services</p> <p>561740 Carpet & Upholstery Cleaning Services</p> <p>561790 Other Services to Buildings & Dwellings</p> <p>561900 Other Support Services (including packaging & labeling services, & convention & trade show organizers)</p> <p>Waste Management and Remediation Services</p> <p>562000 Waste Management & Remediation Services</p> <p>Educational Services</p> <p>611000 Educational Services (including schools, colleges, & universities)</p> <p>Health Care and Social Assistance</p> <p>Offices of Physicians and Dentists</p> <p>621111 Offices of Physicians (except mental health specialists)</p> <p>621112 Offices of Physicians, Mental Health Specialists</p> <p>621210 Offices of Dentists</p> <p>Offices of Other Health Practitioners</p> <p>621310 Offices of Chiropractors</p> <p>621320 Offices of Optometrists</p> <p>621330 Offices of Mental Health Practitioners (except Physicians)</p> <p>621340 Offices of Physical, Occupational & Speech Therapists, & Audiologists</p> <p>621391 Offices of Podiatrists</p> <p>621399 Offices of All Other Miscellaneous Health Practitioners</p> <p>Outpatient Care Centers</p> <p>621410 Family Planning Centers</p> <p>621420 Outpatient Mental Health & Substance Abuse Centers</p> <p>621491 HMO Medical Centers</p> <p>621492 Kidney Dialysis Centers</p> <p>621493 Freestanding Ambulatory Surgical & Emergency Centers</p> <p>621498 All Other Outpatient Care Centers</p> <p>Medical and Diagnostic Laboratories</p> <p>621510 Medical & Diagnostic Laboratories</p> <p>Home Health Care Services</p> <p>621610 Home Health Care Services</p>	<p>Code</p> <p>Other Ambulatory Health Care Services</p> <p>621900 Other Ambulatory Health Care Services (including ambulance services & blood & organ banks)</p> <p>Hospitals</p> <p>622000 Hospitals</p> <p>Nursing and Residential Care Facilities</p> <p>623000 Nursing & Residential Care Facilities</p> <p>Social Assistance</p> <p>624100 Individual & Family Services</p> <p>624200 Community Food & Housing, & Emergency & Other Relief Services</p> <p>624310 Vocational Rehabilitation Services</p> <p>624410 Child Day Care Services</p> <p>Arts, Entertainment, and Recreation</p> <p>Performing Arts, Spectator Sports, and Related Industries</p> <p>711100 Performing Arts Companies</p> <p>711210 Spectator Sports (including sports clubs & racetracks)</p> <p>711300 Promoters of Performing Arts, Sports, & Similar Events</p> <p>711410 Agents & Managers for Artists, Athletes, Entertainers, & Other Public Figures</p> <p>711510 Independent Artists, Writers, & Performers</p> <p>Museums, Historical Sites, and Similar Institutions</p> <p>712100 Museums, Historical Sites, & Similar Institutions</p> <p>Amusement, Gambling, and Recreation Industries</p> <p>713100 Amusement Parks & Arcades</p> <p>713200 Gambling Industries</p> <p>713900 Other Amusement & Recreation Industries (including golf courses, skiing facilities, marinas, fitness centers, & bowling centers)</p>	<p>Code</p> <p>Food Services and Drinking Places</p> <p>722110 Full-Service Restaurants</p> <p>722210 Limited-Service Eating Places</p> <p>722300 Special Food Services (including food service contractors & caterers)</p> <p>722410 Drinking Places (Alcoholic Beverages)</p> <p>Other Services</p> <p>Repair and Maintenance</p> <p>811110 Automotive Mechanical & Electrical Repair & Maintenance</p> <p>811120 Automotive Body, Paint, Interior, & Glass Repair</p> <p>811190 Other Automotive Repair & Maintenance (including oil change & lubrication shops & car washes)</p> <p>811210 Electronic & Precision Equipment Repair & Maintenance</p> <p>811310 Commercial & Industrial Machinery & Equipment (except Automotive & Electronic) Repair & Maintenance</p> <p>811410 Home & Garden Equipment & Appliance Repair & Maintenance</p> <p>811420 Reupholstery & Furniture Repair</p> <p>811430 Footwear & Leather Goods Repair</p> <p>811490 Other Personal & Household Goods Repair & Maintenance</p> <p>Personal and Laundry Services</p> <p>812111 Barber Shops</p> <p>812112 Beauty Salons</p> <p>812113 Nail Salons</p> <p>812190 Other Personal Care Services (including diet & weight reducing centers)</p> <p>812210 Funeral Homes & Funeral Services</p> <p>812220 Cemeteries & Crematories</p> <p>812310 Coin-Operated Laundries & Drycleaners</p> <p>812320 Drycleaning & Laundry Services (except Coin-Operated)</p> <p>812330 Linen & Uniform Supply</p> <p>812910 Pet Care (except Veterinary) Services</p> <p>812920 Photofinishing</p> <p>812930 Parking Lots & Garages</p> <p>812990 All Other Personal Services</p> <p>Religious, Grantmaking, Civic, Professional, and Similar Organizations</p> <p>813000 Religious, Grantmaking, Civic, Professional, & Similar Organizations</p>
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1999

Los Angeles Revitalization Zone Deduction and Credit Summary

3806

Attach to your California tax return.

Social security or California corporation number

Name(s) as shown on return

FEIN

A. Check the appropriate box for your entity type:

- ☐ Individual ☐ Estate ☐ Trust ☐ C corporation ☐ S corporation ☐ Partnership
☐ Exempt organization ☐ Limited liability company ☐ Limited liability partnership

B. Enter the name of the Los Angeles Revitalization Zone (LARZ) business:**C. Enter the address (actual location) where the LARZ business is conducted:****D. Enter the name of the community within the former LARZ in which the business and/or investment activity is located. See General Information D, Geographic Boundaries.****E. Principal Business Activity Code number of the LARZ business**

Enter the six-digit number from the Principal Business Activity Code Chart (pages 14 through 16).

F. Gross annual receipts of the business**G. Total asset value of the business****Part I Credit Carryovers Used****1 Hiring and sales or use tax credit carryovers claimed on the current year return:**

- a** Construction hiring credit carryover from Worksheet VI, line 8A, column (d) or line 11, column (c)
b General hiring credit carryover from Worksheet VI, line 9A, column (d) or line 12, column (c)
c Sales or use tax credit carryover from Worksheet VI, line 10A, column (d) or line 13, column (c)

Add line 1a, line 1b, and line 1c **1****Note:** To figure the amount of credit carryovers to carry over, complete Worksheet VI on Side 2.**Part II Net Operating Loss Carryover and Deduction****2 a** Enter the LARZ NOL carryover from prior years from Worksheet V, line 15, column (b) **2a****b** Enter the total LARZ NOL deduction used in the current year from Worksheet V, line 15, column (c).

Enter this amount on Schedule CA (540 or 540NR), line 21e, column B; Form 100, line 20; Form 100S, line 19;

or Form 109, line 3 or line 11 **2b****c** Enter the LARZ NOL to carry over to future years from Worksheet V, line 15, column (e) **2c**

ELECTION: For those taxpayers eligible for an NOL carryover under R&TC Sections 17276.2, 17276.4, 17276.5, 17276.6, 24416.2, 24416.4, 24416.5, or 24416.6, the act of claiming an NOL carryover on this form constitutes the **irrevocable** election to apply the loss under R&TC Sections 17276.4 or 24416.4, for taxpayers operating a trade or business within the LARZ. If you elect to carry over an NOL under the LARZ provisions, you cannot carry over any other type and amount of NOL from this year.

Part III Portion of Business Attributable to the Former LARZ**3** Enter the average apportionment percentage of your business that is in the former LARZ from Worksheet IV, line 4.If your operation is wholly within the former LARZ, the average apportionment percentage is 100% (1.00) **3****Part IV Recapture of Deduction and Credits****4** Recapture of construction hiring credit from Worksheet I, line 2, column (b) **4****5** Recapture of general hiring credit from Worksheet I, line 2, column (c) **5****6** Recapture of sales or use tax credit from Worksheet II, line 2, column (b) **6****7** Recapture of business expense deduction from Worksheet III, line 2, column (b) **7**

Worksheet VI Computation of Credit Carryover Limitations — Los Angeles Revitalization Zone**Part I Computation of Limitations.** See instructions.

1	Trade or business income. Individuals: Enter the amount from the Income or Loss Worksheet, line 14, column (c) (page 9) on this line and on line 3 (skip line 2). See instructions on page 12. Note: Multistate apportioning corporations enter the amount from Schedule R, line 13b	1	
2	Corporations: Enter the average apportionment percentage from Worksheet IV, line 4. See instructions	2	
3	Multiply line 1 by line 2	3	
4	Enter the LARZ NOL deductions from Worksheet V, line 15, column (c)	4	
5	LARZ taxable income. Subtract line 4 from line 3	5	
6a	Compute the amount of tax due using the amount on line 5. See instructions	6a	
6b	Enter the amount of tax from Form 540, line 24; Form 540NR, line 27; Form 541, line 21; Form 100, line 23; Form 100S, line 22; or Form 109, line 7 or line 15. Corporations and S corporations, see instructions	6b	
7	Enter the smaller of line 6a or line 6b. This is the limitation based on the LARZ income. Go to Part II, Part III, or Part IV. See instructions	7	

Part II Limitation of Credit Carryovers for Corporations, Individuals, and Estates and Trusts. See instructions.

(a) Credit name		(b) Total prior year credit carryover	(c) Limitation based on LARZ business income	(d) Used on Schedule P (can never be greater than col. (b) or col. (c))	(e) Carryover (col. (b) minus col. (c))
8 Construction hiring	A				
	B				
9 General hiring	A				
	B				
10 Sales or use tax	A				
	B				

Part III Limitation of Credit Carryovers for S Corporations Only. See instructions.

(a) Credit name	(b) Total prior year credit carryover	(c) Credit carryover used this year by S corporation	(d) Carryover (col. (b) minus col. (c))
11 Construction hiring			
12 General hiring			
13 Sales or use tax			

Part IV Limitation of Credit Carryovers for Corporations and S Corporations Subject to Paying Only the Minimum Franchise Tax.
See instructions.

(a) Credit name	(b) Total prior year credit carryover	(c) Carryover (enter amount from col. (b))
14 Construction hiring		
15 General hiring		
16 Sales or use tax		

1999

Los Angeles Revitalization Zone Deduction and Credit Summary

3806

Attach to your California tax return.

Social security or California corporation number

Name(s) as shown on return

FEIN

A. Check the appropriate box for your entity type:

- ☐ Individual ☐ Estate ☐ Trust ☐ C corporation ☐ S corporation ☐ Partnership
☐ Exempt organization ☐ Limited liability company ☐ Limited liability partnership

B. Enter the name of the Los Angeles Revitalization Zone (LARZ) business:**C. Enter the address (actual location) where the LARZ business is conducted:****D. Enter the name of the community within the former LARZ in which the business and/or investment activity is located. See General Information D, Geographic Boundaries.****E. Principal Business Activity Code number of the LARZ business**

Enter the six-digit number from the Principal Business Activity Code Chart (pages 14 through 16).

F. Gross annual receipts of the business**G. Total asset value of the business****Part I Credit Carryovers Used****1 Hiring and sales or use tax credit carryovers claimed on the current year return:**

- a** Construction hiring credit carryover from Worksheet VI, line 8A, column (d) or line 11, column (c)
b General hiring credit carryover from Worksheet VI, line 9A, column (d) or line 12, column (c)
c Sales or use tax credit carryover from Worksheet VI, line 10A, column (d) or line 13, column (c)

Add line 1a, line 1b, and line 1c **1****Note:** To figure the amount of credit carryovers to carry over, complete Worksheet VI on Side 2.**Part II Net Operating Loss Carryover and Deduction****2 a** Enter the LARZ NOL carryover from prior years from Worksheet V, line 15, column (b) **2a****b** Enter the total LARZ NOL deduction used in the current year from Worksheet V, line 15, column (c).

Enter this amount on Schedule CA (540 or 540NR), line 21e, column B; Form 100, line 20; Form 100S, line 19;

or Form 109, line 3 or line 11 **2b****c** Enter the LARZ NOL to carry over to future years from Worksheet V, line 15, column (e) **2c**

ELECTION: For those taxpayers eligible for an NOL carryover under R&TC Sections 17276.2, 17276.4, 17276.5, 17276.6, 24416.2, 24416.4, 24416.5, or 24416.6, the act of claiming an NOL carryover on this form constitutes the **irrevocable** election to apply the loss under R&TC Sections 17276.4 or 24416.4, for taxpayers operating a trade or business within the LARZ. If you elect to carry over an NOL under the LARZ provisions, you cannot carry over any other type and amount of NOL from this year.

Part III Portion of Business Attributable to the Former LARZ**3** Enter the average apportionment percentage of your business that is in the former LARZ from Worksheet IV, line 4.If your operation is wholly within the former LARZ, the average apportionment percentage is 100% (1.00) **3****Part IV Recapture of Deduction and Credits****4** Recapture of construction hiring credit from Worksheet I, line 2, column (b) **4****5** Recapture of general hiring credit from Worksheet I, line 2, column (c) **5****6** Recapture of sales or use tax credit from Worksheet II, line 2, column (b) **6****7** Recapture of business expense deduction from Worksheet III, line 2, column (b) **7**

Worksheet VI Computation of Credit Carryover Limitations — Los Angeles Revitalization Zone**Part I Computation of Limitations.** See instructions.

1 Trade or business income. Individuals: Enter the amount from the Income or Loss Worksheet, line 14, column (c) (page 9) on this line and on line 3 (skip line 2). See instructions on page 12. Note: Multistate apportioning corporations enter the amount from Schedule R, line 13b	1	
2 Corporations: Enter the average apportionment percentage from Worksheet IV, line 4. See instructions	2	
3 Multiply line 1 by line 2	3	
4 Enter the LARZ NOL deductions from Worksheet V, line 15, column (c)	4	
5 LARZ taxable income. Subtract line 4 from line 3	5	
6a Compute the amount of tax due using the amount on line 5. See instructions	6a	
6b Enter the amount of tax from Form 540, line 24; Form 540NR, line 27; Form 541, line 21; Form 100, line 23; Form 100S, line 22; or Form 109, line 7 or line 15. Corporations and S corporations, see instructions	6b	
7 Enter the smaller of line 6a or line 6b. This is the limitation based on the LARZ income. Go to Part II, Part III, or Part IV. See instructions	7	

Part II Limitation of Credit Carryovers for Corporations, Individuals, and Estates and Trusts. See instructions.

(a) Credit name		(b) Total prior year credit carryover	(c) Limitation based on LARZ business income	(d) Used on Schedule P (can never be greater than col. (b) or col. (c))	(e) Carryover (col. (b) minus col. (c))
8 Construction hiring	A				
	B				
9 General hiring	A				
	B				
10 Sales or use tax	A				
	B				

Part III Limitation of Credit Carryovers for S Corporations Only. See instructions.

(a) Credit name	(b) Total prior year credit carryover	(c) Credit carryover used this year by S corporation	(d) Carryover (col. (b) minus col. (c))
11 Construction hiring			
12 General hiring			
13 Sales or use tax			

Part IV Limitation of Credit Carryovers for Corporations and S Corporations Subject to Paying Only the Minimum Franchise Tax.
See instructions.

(a) Credit name	(b) Total prior year credit carryover	(c) Carryover (enter amount from col. (b))
14 Construction hiring		
15 General hiring		
16 Sales or use tax		

How to Get California Tax Information

(Keep This Page For Future Use)

Where to Get Income Tax Forms

By Internet – If you have Internet access, you may download, view, and print California tax forms and publications. Go to our website at:

www.ftb.ca.gov

By phone – To order 1997, 1998, and 1999 California personal income tax forms, 1999 California business entity tax forms, and 1999 federal forms, call our automated phone service. To order a form:

- Refer to the list in your tax booklet and find the code number for the form you want to order.
- Call (800) 338-0505 and follow the instructions.

Please allow two weeks to receive your order. If you live outside California, please allow three weeks to receive your order.

In person – Most libraries, post offices, and banks provide free California personal income tax booklets during the filing season. Many libraries and some quick print businesses have forms and schedules for you to photocopy (you may have to pay a nominal fee). Note that employees at libraries, post offices, banks, and quick print businesses cannot provide tax information or assistance.

By mail – Write to:

TAX FORMS REQUEST UNIT
FRANCHISE TAX BOARD
PO BOX 307
RANCHO CORDOVA CA 95741-0307

Letters

You may write to us to get a written reply to your question or to reply to a notice we sent you. Be sure your letter includes your FEIN, California corporation number, or social security number, your daytime and evening telephone numbers, and a copy of the notice (if applicable). Send your letter to:

RESOURCE DEVELOPMENT SECTION
FRANCHISE TAX BOARD
PO BOX 1468
SACRAMENTO CA 95812-1468

We will respond to your letter within six to eight weeks. In some cases, we may need to call you for additional information. Do not attach correspondence to your tax return unless the correspondence relates to an item on your return.

General Toll-Free Phone Service

Between January 3 – April 17, 2000, our general toll-free phone service is available:

- Monday – Friday, 6 a.m. until midnight; and
- Saturdays and holidays, 7 a.m. until 4 p.m.

After April 17, 2000, our general toll-free phone service is available:

- Monday – Friday, 7 a.m. until 8 p.m.; and
- Saturdays, 7 a.m. until 4 p.m.

The best times to call are before 10 a.m. and after 6 p.m. Times of day are Pacific Standard Time (PST).

From within the

United States (800) 852-5711

From outside the

United States (916) 845-6500
(not toll-free)

Assistance for persons with disabilities:

The FTB complies with provisions of the Americans with Disabilities Act. Persons with a hearing or speech impairment, call:

From voice phone (800) 735-2922
(California Relay Service)

From TTY/TDD (800) 822-6268
(Direct line to FTB customer service)

For all other assistance or special accommodations, call (800) 852-5711.

For federal tax questions:

Call the IRS at (800) 829-1040

Asistencia bilingüe en español

Para obtener servicios en español y asistencia para completar su declaración de impuestos/formularios, llame al número de teléfono (anotado arriba) que le corresponde.

Economic Development Area Information

Further information about the former LARZ is available from:

FRANCHISE TAX BOARD
ECONOMIC DEVELOPMENT AREA
INFORMATION
Telephone: (916) 845-3464
FAX: (916) 845-0415
Website: www.ftb.ca.gov

Your Rights as a Taxpayer

Our goal at the Franchise Tax Board (FTB) is to make certain that your rights are protected so that you will have the highest confidence in the integrity, efficiency, and fairness of our state tax system. FTB Publication 4058, California Taxpayers' Bill of Rights, includes information on your rights as a California taxpayer, the Taxpayers' Rights Advocate Program, and how you can request written advice from the FTB on whether a particular transaction is taxable. See "Where to Get Income Tax Forms" on this page for how to get this publication.

Field Offices

You can get information, California tax forms, and resolve problems on your account if you visit one of our field offices. Our field office hours are Monday through Friday, 8 a.m. until 5 p.m. These offices will remain open additional hours and days from January 15 through April 17, 2000. For the extended hours of the office nearest you, call (800) 338-0505, select personal income tax, then general information, and enter code 110 when instructed to do so.

Field Office	Address
Bakersfield	1800 30th St, Ste 370
Burbank	333 N Glenoaks Blvd, Ste 200
Fresno	2550 Mariposa St, Rm 3002
Long Beach	4300 Long Beach Blvd, Ste 700B
Los Angeles	300 S Spring St, Ste 5704
Oakland	1515 Clay St, Ste 305
Sacramento	3321 Power Inn Road Ste 250
San Bernardino	464 W 4th St, Ste 454
San Diego	5353 Mission Ctr Rd, Ste 314
San Francisco	455 Golden Gate Ave, Ste 7400
San Jose	96 N Third St, 4th Fl
Santa Ana	600 W Santa Ana Blvd, Ste 300
Santa Rosa	50 D St, Rm 130
Stockton	31 East Channel St, Rm 219
Ventura	4820 McGrath St, Ste 270
West Covina	100 N Barranca St, Ste 600

Out of State Field Offices

Chicago	1 N. Franklin, Ste 400 Chicago, IL 60606-3401
Houston	1415 Louisiana, Ste 1515 Houston, TX 77002-7351
Long Island	1325 Franklin Ave, Ste 560 Garden City, NY 11530-1631
Manhattan	1212 Ave of the Americas, 4th Fl New York, NY 10036-1601



Automated Toll-Free Phone Service

(Keep This Page For Future Use)

Call our automated toll-free phone service to:

- Order most California and federal income tax forms;
- Get current year tax refund information;
- Get balance due and payment information; and
- Hear recorded answers to many of your questions about California taxes.

Our automated phone service is available in English and Spanish to callers with touch-tone telephones. Have paper and pencil ready to take notes.

Call from within the

United States (800) 338-0505

Call from outside the

United States (not toll-free) ... (916) 845-6600

Current Year Personal Income Tax Refund Information

You should wait at least eight weeks after you file your tax return before you call to find out about your refund. You will need your social security number, the numbers in your street address, box number, or route number, and your ZIP Code to use this service. Refund status information is available 24 hours a day, 7 days a week. Call our automated phone service, select personal income tax information, then refund information, and follow the recorded instructions.

Personal Income Tax Balance Due and Payment Information

You should wait at least 45 days from the date you mailed your payment before you call to verify receipt of your payment. You will need your social security number, the numbers in your street address, box number, or route number, and your ZIP Code to use this service. Balance due and payment information is available 24 hours a day, 7 days a week.

Order Forms

See the instructions for ordering forms by phone on page 21. For personal income tax forms, this service is available 24 hours a day, 7 days a week. Business entity forms are available from 6 a.m. until 8 p.m., Monday through Friday.

Answers To Tax Questions

Recorded answers to your tax questions are available 24 hours a day, 7 days a week. To receive answers to any of the following questions, call our automated phone service, select either personal income tax or business entity tax information, then general information, and enter the three-digit code when instructed to do so.

Times of day are Pacific Standard Time (PST).

Personal Income Tax Information

Code Filing Assistance

- 100 – Do I need to file a return?
- 110 – Field office hours of availability, January 15 – April 17, 2000.
- 111 – Which form should I use?
- 112 – How do I file electronically and get a fast refund?
- 200 – Where can I pick up a form today?
- 201 – How can I get an extension to file?
- 202 – There is no envelope in the booklet. Where do I send my return?
- 203 – What is and how do I qualify for the nonrefundable renter's credit?
- 204 – I never received a Form W-2. What do I do?
- 205 – I have no withholding taken out. What do I do?
- 206 – Do I have to attach a copy of my federal return?
- 207 – Should I file my return even though I do not have the money to pay?
- 208 – How do I figure my estimate tax payments?
- 209 – I lived in California for part of the year. Do I have to file a return?
- 210 – I do not live in California. Why do I have to file a return?
- 211 – How do I figure my IRA deduction?

- 212 – How do I claim my disaster related loss?
- 215 – Who qualifies me to use the head of household filing status?
- 216 – I'm due a refund. Do I still need to file a return?
- 217 – I am currently/was in the military. Do I have to file a California return?
- 218 – I'm in the military. Do I have to use the same filing status as federal?
- 219 – I sold my personal residence. How do I report the sale to California?
- 220 – There is no difference in my state and federal depreciation, business income, and capital gain income. What do I do?
- 221 – What is community property?
- 222 – How much can I deduct for vehicle license fees?
- 227 – How do I get a refund of excess SDI?
- 239 – Where can I get help with preparing and filing my income tax return?
- 240 – Does a tax return have to be filed for a deceased taxpayer?
- Refunds**
- 300 – My spouse has passed away. You sent a refund with both our names on it. What do I do?
- 301 – I got a letter saying you sent my refund to another agency. Why?
- Penalties**
- 400 – I have an extension of time to file my return. Why did I get a penalty?
- 401 – I filed my return on time. Why did I get a penalty?
- 402 – How can I protest a penalty?
- 403 – What is the estimate penalty rate?
- Notices and Bills**
- 500 – I received a bill and I cannot pay it in full. What do I do?
- 501 – Why didn't you give me credit for my withholding?
- 502 – You didn't give me credit for my dependent. What do I do?
- 504 – I'm head of my house. Why was I denied head of household filing status?
- 505 – Why was my IRA deduction denied?
- 506 – How do I get information about my Form 1099-G?
- 508 – I received a notice that didn't show all payments made. How do I get credit for them?
- Tax For Children**
- 601 – Can my child take a personal exemption credit when I claim her or him as a dependent on my return?
- 602 – Federal law limits the standard deduction. Is the state law the same?
- Miscellaneous**
- 610 – Can I pay my taxes with a credit card?
- 611 – What address do I send my payment to?
- 612 – I mailed my return and haven't heard anything. Should I send a copy of my return?
- 613 – I forgot to attach my Form(s) W-2 when I mailed my return. What do I do?
- 614 – I forgot to attach a copy of my federal return. What do I do?
- 615 – How do I get a copy of my state tax return?
- 616 – What should I do if my federal tax return was examined and changed by the IRS?
- 617 – What are the current interest rates?
- 619 – How do I report a change of address?

Business Entity Tax Information

Code Filing Assistance

- 715 – If my actual tax is less than the minimum franchise tax, what figure do I put on line 23 of Form 100?
- 717 – What are the tax rates for corporations?
- 718 – How do I get an extension of time to file?
- 722 – When do I have to file a short-period return?
- 734 – Is my corporation subject to the franchise tax or income tax?

S Corporations

- 704 – Is an S corporation subject to the minimum franchise tax?
- 705 – Are S corporations required to file estimate payments?
- 706 – What forms do S corporations file?
- 707 – The tax for my S corporation is less than the minimum franchise tax. What figure do I put on line 22 of Form 100S?
- 708 – Where do S corporations make adjustments for state and federal law differences on Schedule K-1 (100S) and where do nonresident shareholders find their California source income on their Schedule K-1 (100S)?
- Exempt Organizations**
- 709 – How do I get tax-exempt status?
- 710 – Does an exempt organization have to file Form 199?
- 735 – How can an exempt organization incorporate without paying corporation fees and costs?
- 736 – I have exempt status. Do I need to file Form 100 or Form 109 in addition to Form 199?
- Minimum Tax and Estimate Tax**
- 712 – What is the minimum franchise tax?
- 714 – My corporation is not doing business; does it have to pay the minimum franchise tax?
- 716 – When are my estimate payments due?
- Billings and Miscellaneous Notices**
- 723 – I received a bill for \$250. What is this for?
- 728 – Why was my corporation suspended?
- 729 – Why is my subsidiary getting a request for a return when we file a combined report?
- Tax Clearance**
- 724 – How do I dissolve my corporation?
- 725 – What do I have to do to get a tax clearance?
- 726 – How long will it take to get a tax clearance certificate?
- 727 – My corporation was suspended/forfeited. Can I still get a tax clearance?
- Miscellaneous**
- 617 – What are the current interest rates?
- 700 – Who do I need to contact to start a business?
- 701 – I need a state ID number for my business. Who do I contact?
- 702 – Can you send me an employer's tax guide?
- 703 – How do I incorporate?
- 719 – How do I properly identify my corporation when dealing with the Franchise Tax Board?
- 720 – How do I obtain information about changing my corporation's name?
- 721 – How do I change my accounting period?
- 737 – Where do I send my payment?
- 738 – What is electronic funds transfer?
- 739 – How do I get a copy of my state corporate tax return?
- 740 – What requirements do I have to report municipal bond interest paid by a state other than California?
- 750 – How do I organize or register an LLC?
- 751 – How do I cancel my registration as an LLC?
- 752 – What tax forms do I use to file as an LLC?
- 758 – If a corporation converted to an LLC during the current year, is the corporation liable for the tax as a corporation and an LLC tax/fee in the same year?